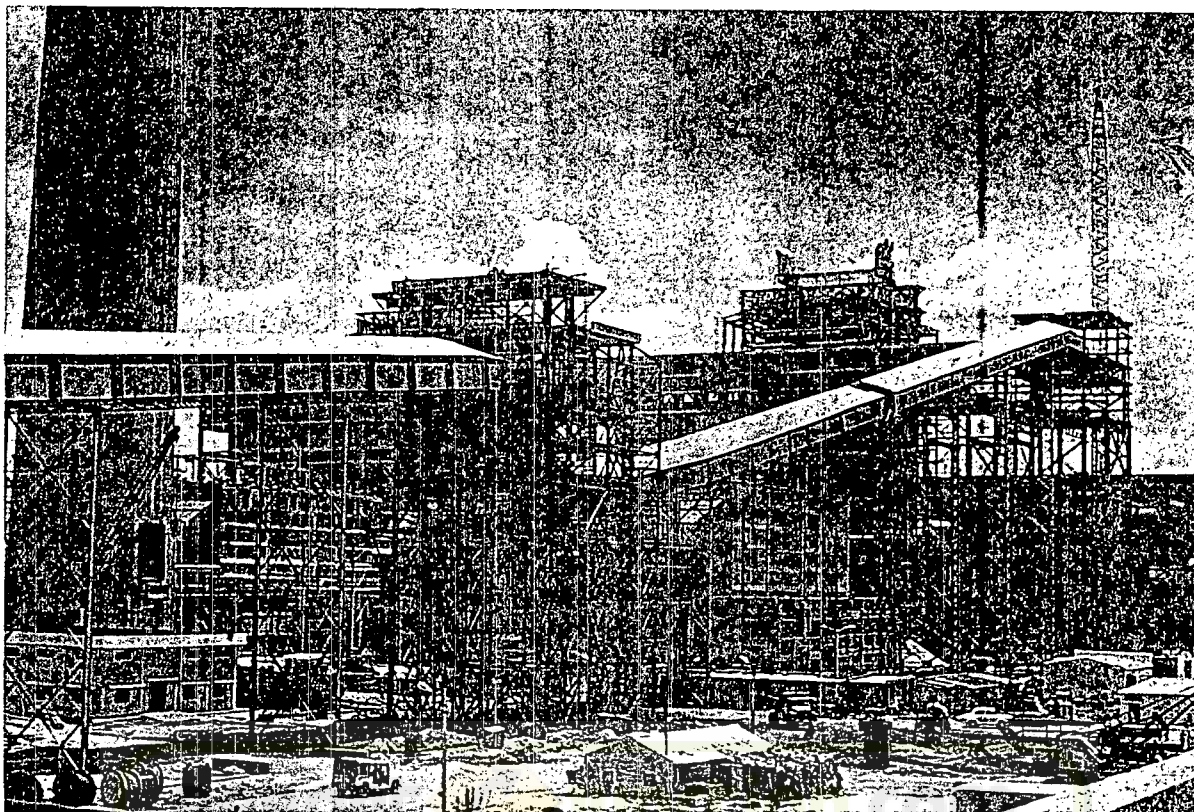




Report  Junction.com

TRF Limited
Annual Report 1996-97



1200 TPH capacity coal handling plant under construction for the Kothagudem Thermal Power Station of Andhra Pradesh State Electricity Board.

Contents

Highlights	2
Chairman's Statement	3-4
Directors' Report	5-7
Funds Flow Statement	8
Summarised Balance Sheet and Profit and Loss Account	9
Auditors' Report	10-11
Balance Sheet	12
Profit and Loss Account	13
Schedules forming part of the Balance Sheet and Profit and Loss Account	14-25
Part IV of Schedule VI	26
Cash Flow Statement	27

(As on July 1, 1997)

K. C. MEHRA - *Chairman*

Dr. J. J. IRANI

S. R. SUBBARAMAN

BHASKAR MITTER

R. N. SHARMA

S. J. GHANDY

S. K. GUPTA

M. M. RAJORIA

R. SANKARAN

S. A. HASAN - *Managing Director*

M. K. RAO - Sr. Executive Director (Projects)

CYRIL DE SOUSA - Sr. Executive Director (Operations)

MD	<input checked="" type="checkbox"/>		DRG	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RC	<input checked="" type="checkbox"/>		DEV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SKI	<input checked="" type="checkbox"/>
SE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

Principal Executives

V. K. THAKAR
Vice President (Corporate)

E. S. GANESH
Vice President (Finance)
& Company Secretary

Auditors

A.F. FERGUSON & COMPANY

Registered Office

11, Station Road,
Burma Mines,
Jamshedpur 831 007

Share Department

Tata Share Registry Limited
Army & Navy Building,
148, Mahatma Gandhi Road,
Mumbai 400 001

Bankers

BANK OF INDIA
CANARA BANK

Annual Report 1996-97

Highlights					
	Rupees in lakhs				
	1996-97	1995-96	1994-95	1993-94	1992-93
Sales	125,48.39	103,51.93	103,32.32	102,25.85	85,02.34
Employee costs	17,29.96	15,19.73	12,85.94	11,32.02	10,28.82
Depreciation	1,93.18	1,45.20	1,14.92	1,50.15	1,13.85
Interest and brokerage	4,81.18	2,56.01	3,07.12	2,88.97	2,64.62
Profit before taxes	6,81.13	4,75.32	5,03.50	3,40.59	2,65.01
Taxes	2,76.00	2,32.00	2,45.00	2,05.50	1,49.00
Profit after taxes	4,05.13	2,43.32	2,58.50	1,35.09	1,16.01
Dividend (%)	30	27.5	27.5	25	20
Net fixed assets	1,873.90	13,98.91	10,60.72	8,75.38	9,09.66
Share capital	4,68.19	4,68.18	4,68.18	3,12.17	3,12.17
Reserves and surplus	14,52.30	11,60.65	10,46.08	6,39.52	5,82.47
Net worth	19,20.49	16,28.83	15,14.26	9,51.69	8,94.64
Borrowings	31,56.59	15,35.13	12,82.48	15,82.64	12,94.38
Net worth per share (Rs.)	41.02	34.79	32.34	30.49	28.66
Debt : Equity ratio	1.6:1	0.9:1	0.8:1	1.7 : 1	1.5 : 1
Works production	56,41.33	38,74.21	37,76.79	40,84.37	36,34.86
Progress billings - Contracts	109,16.65	68,71.94	68,27.36	85,60.89	74,77.55
Number of employees	1345	1359	1386	1399	1402



TRF LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTYFOURTH ANNUAL GENERAL MEETING OF TRF LIMITED will be held at the Auditorium of the TMDC, XLRI Campus, Circuit House Area, East, Jamshedpur - 831 001 on Friday, August 22, 1997 at 12.00 noon to transact the following business :

1. To receive and adopt the Directors' Report, the Audited Profit and Loss Account for the year ended March 31, 1997 and the Balance Sheet as at that date.
2. To declare a dividend.
3. To appoint a Director in place of Mr. S.R. Subbaraman, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. S. J. Ghandy, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. S. K. Gupta, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. To appoint a Director in place of Mr. Cyril De Sousa, who was appointed an Additional Director of the Company by the Board of Directors with effect from July 1, 1997, and who holds office till the date of the Annual General Meeting and in respect of whom a Notice in writing has been received from a member proposing his candidature for the office of Director.
8. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 269, 309, 311, Schedule XIII or any amendment thereto, and other applicable provisions, if any, of the Companies Act, 1956, as amended to date, the Company hereby approves of the appointment of Mr. Cyril De Sousa as the Whole-time Director of the Company; who has been appointed as the Whole-time Director by the Board of Directors for a period of five years from July 1, 1997, upon the terms and conditions set out in the draft agreement submitted to this meeting, and for identification signed by a Director, which agreement is hereby specifically sanctioned with liberty to the Directors to designate him suitably and to alter or vary the terms and conditions of the appointment and/or Agreement, within the maximum amount payable to Whole-time Directors in accordance with the said Schedule XIII or any statutory modification or re-enactment thereof, and acceptable to Mr. Cyril De Sousa;

"RESOLVED ALSO that the engrossment of the Agreement when ready be executed by the Company under its Common Seal to be affixed in accordance with the Articles of Association of the Company and that the Board of Directors are hereby authorised to take all such actions as may be necessary or expedient to effect this Resolution".

9. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, consent is hereby accorded to the Board of Directors of the Company to sell, lease, transfer and or otherwise dispose of the whole or any part of the Company's Steel Service Centre Unit located at Bara, Jamshedpur, including its assets and



liabilities as a going concern to M/s. Tata-Ryerson Limited, at such a price and on such terms and conditions and in such form, as the Board of Directors of the Company may decide in the best interest of the Company, with full power and authority to do all such acts and things as may be necessary to implement such transfer/sale as aforesaid."

NOTES :

1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business under Item Nos. 7 to 9 set out above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE, INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXY FORM SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. As already notified, the Register of Members and Share Transfer Books of the Company were closed from Tuesday, July 1, 1997 to Friday, July 11, 1997 (both days inclusive) for the purpose of ascertaining the dividend.
4. The dividend on shares as recommended by the Directors, if declared at the meeting, will be payable on or after August 25, 1997 to those members whose names appear on the Register of Members of the Company as on July 11, 1997 subject, however, to the provisions of Section 206A of the Companies Act, 1956.

Registered Office :

11, Station Road,
Burma Mines,
Jamshedpur - 831 007

July 15, 1997

By Order of the Board of Directors

E. S. GANESH
Vice President (Finance)
& Company Secretary

Report Junction.com

ANNEXURE TO NOTICE

Explanatory Statements under Section 173(2) of the Companies Act, 1956

As required under Section 173 of the Companies Act, 1956 (hereinafter referred to as 'the Act'), the following Explanatory Statements set out all material facts relating to the special business mentioned in Item Nos. 7 to 9 of the accompanying Notice dated July 15, 1997. convening the meeting.

ITEM NOS. 7 & 8

Mr. Cyril De Sousa was appointed an Additional Director of the Company by the Board of Directors with effect from July 1, 1997. According to the provisions of Section 260 of the Act, he holds office upto the date of this Annual General Meeting. As required by Section 257 of the Act, a Notice in writing has been received from a member signifying his intention to propose his appointment as a Director, alongwith a deposit of Rupees five hundred.

In view of the increase in the activities of the Company, the Board considers it desirable that the Company should avail of the services of Mr. De Sousa, and induct him as a Whole-time Director.

Mr. De Sousa has to his credit over thirty-six years experience of which thirty-three years have been with the Tata Iron & Steel Company Limited (Tisco) in various capacities. Mr. De Sousa was the Managing Director of Tata Material Handling Systems Limited (TMHS), a constituent of the associate Engineering Companies of Tisco and his appointment would help to bring a close synergy between TMHS and the Company. Considering the wide experience of Mr. De Sousa, it is in the fitness of things that he should be inducted as a Whole-time Director.



The Board of Directors have therefore appointed Mr. Cyril De Sousa as a Whole-time Director with the designation of Senior Executive Director (Operations), subject to the approval of the Shareholders.

The principal terms of Mr. Cyril De Sousa's appointment are as under :

1. Period of Appointment : Five years with effect from July 1, 1997.
2. Remuneration
 - (a) (i) Salary : Rs. 26,000/- per month. The annual increments upto a maximum of Rs.2,000/- per month, which will be effective April 1st each year, will be decided by the Board and will be merit-based and take into account the Company's performance.
 - (ii) Commission : As may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The specific amount payable which shall not exceed two years' of annual salary of Mr. De Sousa, will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Shareholders.
 - (b) Perquisites & Allowances
 - (i) In addition to the salary and commission payable, Mr. De Sousa shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement; leave travel concession for himself and family; club fees; medical insurance etc., in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Senior Executive Director (Operations), such perquisites to be restricted to 125% of the annual salary.
 - (ii) For the purposes of calculating the above ceiling, perquisites shall be evaluated as per the Income-tax Rules, wherever applicable. In absence of any such Rules, perquisites shall be evaluated at actual cost.
Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling. Personal long distance calls and use of car for private purpose shall be billed by the Company to Mr. De Sousa.
 - (iii) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
 - (c) Minimum Remuneration
If in any financial year during the currency of the tenure of Mr. De Sousa, the Company has no profits or its profits are inadequate, the managerial remuneration will be limited to the amount specified in Section II of Part II of the Schedule XIII to the Act.
3. The terms and conditions of the appointment and/or Agreement may be altered or varied from time to time by the Board of Directors as it may, in its discretion, deem fit, within the maximum amount payable to Whole-time Directors in accordance with Schedule XIII to the Act, or any amendments made hereafter in this regard.



4. The Agreement may be terminated by either party giving the other party six months' notice.
5. If, at any time, Mr. Cyril De Sousa ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Senior Executive Director (Operations).
6. If, at any time, Mr. Cyril De Sousa, Senior Executive Director (Operations) ceases to be in employment of the Company, for any cause whatsoever, he shall cease to be a Director.
7. Mr. Cyril De Sousa, Senior Executive Director (Operations) shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission and shall also not become interested or otherwise concerned, directly or through his wife and/or minor children, in any buying, selling or any other agency of the Company, without the prior approval of the Central Government.

In accordance with the provisions of Section 309 and other applicable provisions (if any) of the Act, as amended upto date, the terms of appointment of Mr. De Sousa are placed before the members in General Meeting for their approval.

The draft Agreement to be entered into with Mr. Cyril De Sousa is available for inspection by any member of the Company at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day of the Company except Saturdays.

Mr. De Sousa is concerned or interested in Item Nos. 7 & 8 of the Notice.

ITEM NO. 9

For commencing the new line of business of Steel Service Centre, approval of the shareholders was sought at the 31st Annual General Meeting held on August 19, 1994 by means of a Special Resolution under provisions of Section 149 (2A) of the Act. The initial entry was made by the installation of a slitting line in September, 1994. Further expansion has since taken place at the new site at Bara, near Agrico, at Jamshedpur, where the Company has added one more slitting line which has become operational and a further slitting line and pickling line which are under installation and expected to be ready by September, 1997.

During 1996-97, Tisco has entered into a collaboration with Inland of India Pte. Ltd., an affiliate of Inland International Inc., U.S.A., for promotion of a new Joint Venture Company named Tata-Ryerson Limited for undertaking steel processing and distribution business by starting Material Management Centres. Tata-Ryerson have offered to purchase the Company's Steel Service Centre on a going concern basis. The Company has been negotiating with Tata-Ryerson Limited for transfer of the said Centre at a consideration which would reflect the value of the undertaking. The net fixed assets value of the Centre is approx. Rs. 800 lakhs. The Shareholders' permission under Section 293(1)(a) of the Act is sought to carry out the sale of the Steel Service Centre at Bara, Jamshedpur, on such a price and on such terms and conditions which will be in the best interest of the Company.

Dr. Jamshed J. Irani, a Director of the Company, is also on the Board of Tata-Ryerson Limited and therefore he may be deemed to be concerned or interested in Item No. 9 of the Notice.

Registered Office :
11, Station Road,
Burma Mines,
Jamshedpur - 831 007
July 15, 1997

By Order of the Board of Directors

E. S. GANESH
Vice President (Finance)
& Company Secretary



TRF LIMITED

Regd. Office : 11, Station Road, Burma Mines, Jamshedpur 831 007

To
The Shareholders of
TRF LIMITED

Dear Members,

Consolidation of Ledger Accounts :

1. On scrutiny of our Register of Members, we have found that some shareholders are having multiple accounts in identical names, resulting in the increase in total number of accounts on the Register. This results in considerable inconvenience to the Company and adds to avoidable additional work. We would therefore like to consolidate such accounts into one account.
2. If you have such multiple accounts, we would request you to intimate the ledger folios of such accounts and send all your share certificates to enable the Company to consolidate all your holdings into one account. The certificates will be returned to you in due course. The Share Certificates should be sent direct to Tata Share Registry Limited, Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai-400 001.

Unclaimed Dividends :

3. Your dividend warrant is valid for payment by the Company's Bankers for three months from the date of issue. Thereafter, it will be paid by the Company's Share Department—Tata Share Registry Limited. Please encash your dividend warrants immediately as the dividend amounts remaining unpaid at the expiry of three years from the 49th day of its declaration are required to be transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956 and you will thereafter have to claim the amount from the Registrar of Companies, Bihar, 'A' Block (4th floor), Maurya Lok, Dak Bungalow Road, Patna 800 001.
4. The unclaimed dividends for the following years will be deposited by the Company with the Central Government on the dates specified against each of the years.

1993-94	.....	.....	.....	7th October, 1997
1994-95	.....	.....	.....	10th October, 1998
1995-96	.....	.....	.....	10th October, 1999

5. Shareholders who have not encashed their dividend warrants for the above years are, therefore, requested to immediately forward the same duly discharged to the Share Department for payment. Shareholders are particularly requested not to wait till the dates mentioned above, but to send the dividend warrants at least 20 working days before the dates mentioned above to facilitate payment of dividend amount due to them.

Change in Address :

6. In case of change in address please notify Tata Share Registry Limited promptly, specifying the new address in block letters giving the PIN code number of your Post Office.

Yours faithfully
For TRF LIMITED

E. S. GANESH
Vice President (Finance)
& Company Secretary

July 15, 1997

